



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

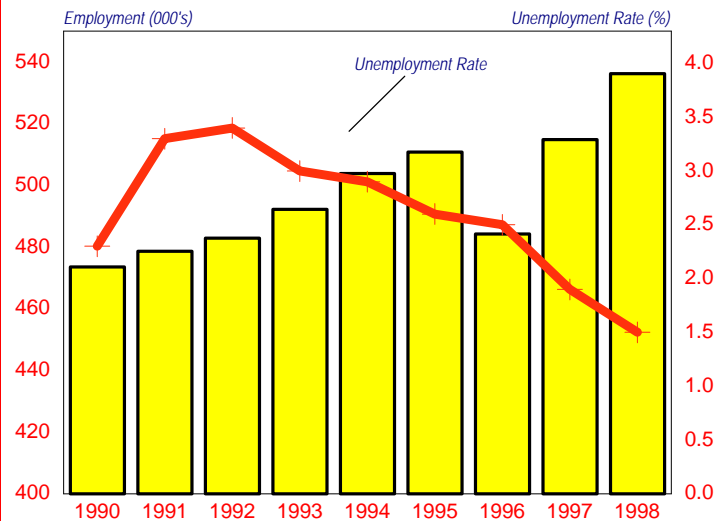
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JANUARY 1999

JANUARY HIGHLIGHTS

- ❑ The County's unemployment rate decreased 0.2 points in November, to 1.5 percent, according to data from the Virginia Employment Commission. The Commonwealth's unemployment rate also dropped in November, declining 0.1 point to 2.8 percent. This is the Commonwealth's lowest November unemployment rate in 29 years.
- ❑ The County's Sales Tax receipts through January total \$54.6 million and top the prior year by 5.9 percent.
- ❑ Despite the dramatic declines in both November and December, the total number of residential dwelling permits issued to date leads the prior year by a significant margin of 23.2 percent, or 1,568 permits. By contrast, the number of nonresidential building permits issued by the County in 1998 trails 1997 by 15.3 percent, or 47 permits.
- ❑ Based on sales data through November and consistent with recent trends, the median sales prices of existing single family and townhomes have increased modestly relative to last year, while that of existing condominiums still trails the prior year. Comparatively, the median sales prices of all types of new homes have increased slightly.
- ❑ The sales volumes of all types of existing homes through November continue to outpace that of 1997 by significant margins, while the sales volumes of new single family homes and townhomes reflect moderate increases.
- ❑ The Conference Board's South Atlantic Consumer Confidence Index dropped 5.2 points to 132.0 in December, after bouncing back from two months of significant declines in November. The National Consumer Confidence Index also declined in December, albeit by a slight 0.3 points to 126.1.
- ❑ The Fairfax County Coincident Index remained constant in November while the Leading Index gained. Comparatively, the Metropolitan Coincident Index gained moderately in November, while the Metropolitan Leading Index declined.

RESIDENTIAL EMPLOYMENT - NOVEMBER



Source: Virginia Employment Commission
Compiled by the Fairfax County Dept. of Management and Budget

*The local economy
is still strong...*

The County's unemployment rate decreased 0.2 points in November, to 1.5 percent, according to the Virginia Employment Commission (VEC). To further illustrate the strength of the local area economy, the unemployment rate one-year ago was moderately higher at 1.9 percent. The VEC also reported that 536,185 Fairfax County residents were employed in November, up 4.1 percent, or 21,311 jobs, over the prior year.

*The Commonwealth's
unemployment rate
registered one of the
lowest rates in 29 years...*

The Commonwealth's unemployment rate dropped 0.1 point to 2.8 percent in November. This is the Commonwealth's lowest November unemployment rate in 29 years according to a recent article in *The Fairfax Journal*. The unemployment rate has been lower only one other time in the last seven years. This occurred in April 1998 when a rate of 2.6 percent was recorded. The Commonwealth's November rate is significantly below the 3.3 percent of November 1997. Nationally, the unemployment rate dipped a slight 0.1 point to 4.4 percent in November.

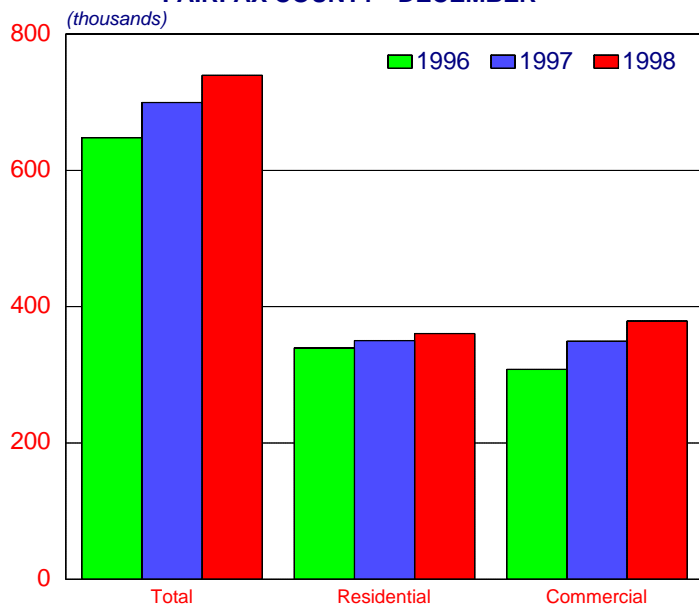


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - DECEMBER



Source: Bell Atlantic
Compiled by the Fairfax County Dept. of Management and Budget

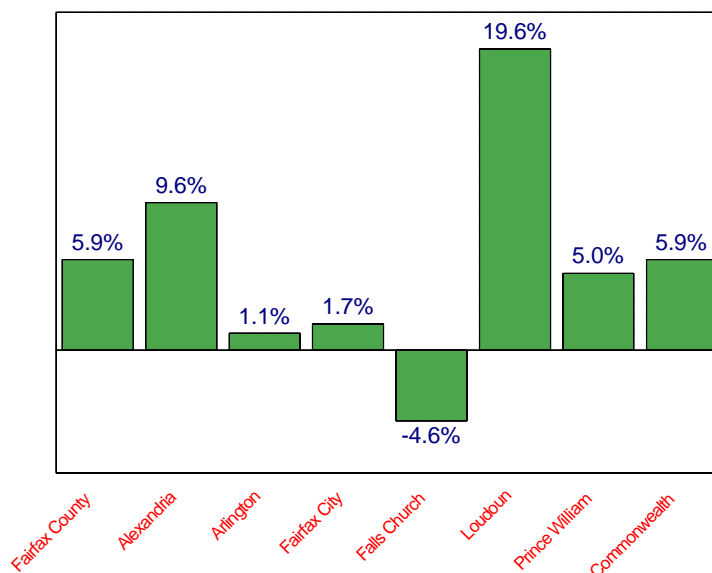
Growth in business telephone lines is continuing to moderate...

As of December 31, 1998, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 739,439 telephone lines, up 39,865 lines, or 5.7 percent, over December 1997. The business sector added the majority, or 29,240 of the new telephone lines. Total business lines in the County were up 8.4 percent to 378,724 lines. Although this growth is significant, the pace has slowed to a rate that is below what has been recorded during the past five years for which data are available. Residential telephone lines totaled 360,715 as of December, an increase of 10,625 lines, or 3.0 percent, over the prior year.

Sales Tax receipts through January top the prior year by 5.9 percent...

Fairfax County's January Sales Tax receipts, representing retail purchases made in November, were \$10.3 million and exceeded the prior year by 18.9 percent. It should be noted however, that two of the twenty largest dealers' December receipts are included in the January distribution. Consequently, collections for December were understated while those of January are overstated. Combining December and January receipts and comparing to that of last year is a much better gauge of retail activity and indicates growth of 4.5 percent. To date, the County's fiscal year Sales Tax receipts total \$54.6 million and top the prior year by 5.9 percent.

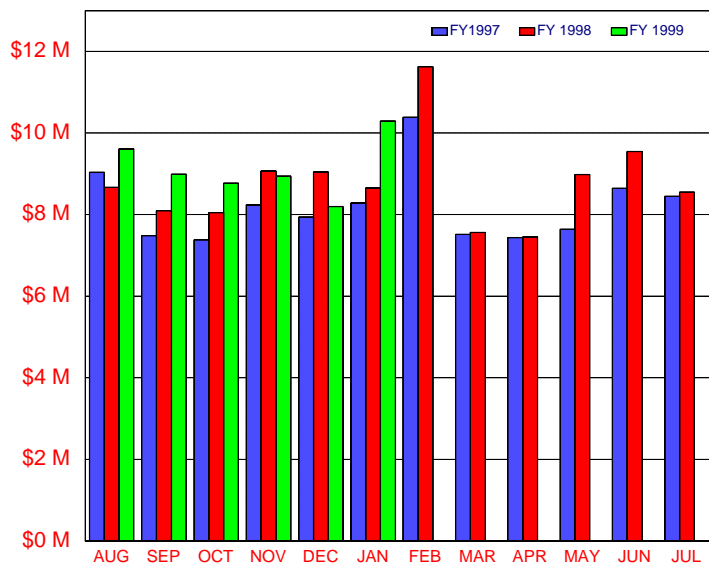
FY 1999 SALES TAX RECEIPTS - THROUGH JANUARY



Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

SALES TAX REVENUES

(revenues represent retail sales two months prior)



Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

November retail performance strong throughout Northern Virginia but somewhat misleading...

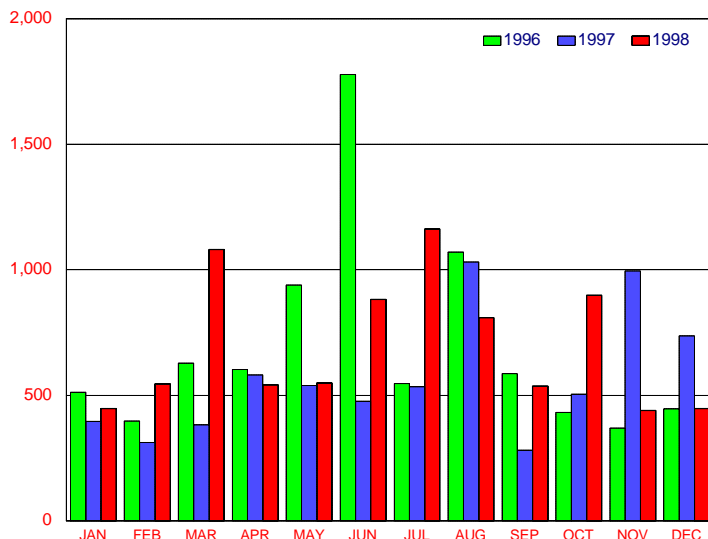
November retail performance, as indicated by January Sales Tax receipts, was extremely strong in Northern Virginia. Sales Tax receipts through January are up 19.6 percent in Loudoun, 9.6 percent in Alexandria, 5.0 percent in Prince William, 1.7 percent in Fairfax City and 1.1 percent in Arlington. Cumulative Sales Tax receipts through January in Falls Church, however, continue to lag behind the prior year, with collections 4.6 percent below that of last year. The Commonwealth registered an increase of 12.4 percent in January Sales Tax receipts. With this increase, cumulative Sales Tax receipts through January for the Commonwealth lead the prior fiscal year by 5.9 percent.

National retail sales continue to outpace the prior year...

According to the Commerce Department, retail sales on the national level continue to outpace the prior year. Retail sales in November 1998 topped the same period in 1997 by 5.9 percent. Durable goods sales posted a larger gain of 8.6 percent and registered increases in all three major components. Non-durable goods sales surpassed the prior year by 4.2 percent with five of the six major components making positive contributions once again. As in prior months, Drug and Proprietary

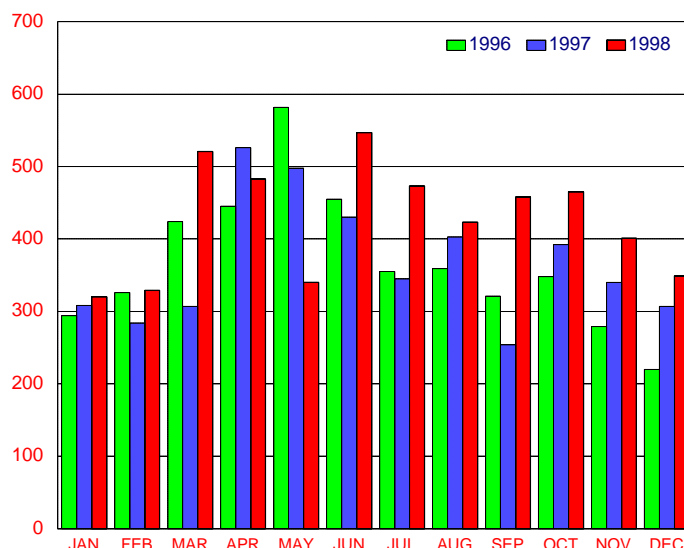
Stores, as well as Eating and Drinking Places, recorded the more significant gains, while Gasoline Service Stations registered a decline.

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS

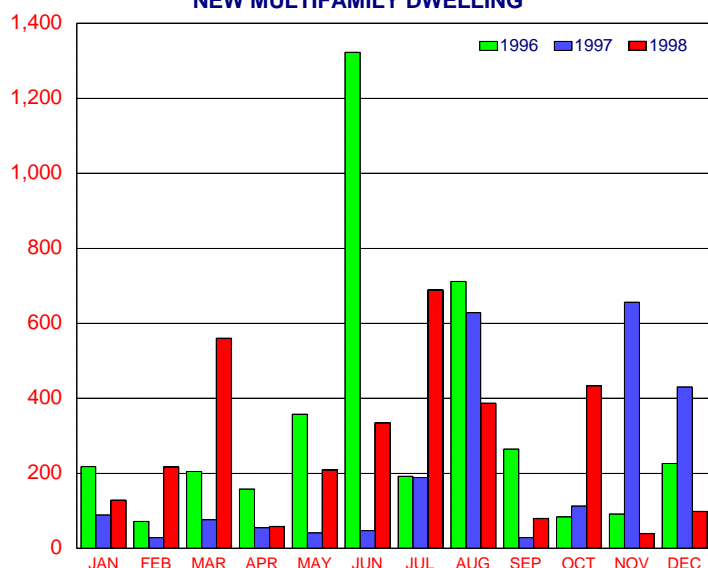


Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

Issues of new residential dwelling permits decreased for second month in a row....

Issues of new residential dwelling permits decreased significantly once again, declining 39.4 percent in December as compared to the prior year. Despite the decreases of the prior two months, the 8,342 permits issued in 1998 top the prior year by 23.2 percent, or 1,568 permits. The number of multi-family permits issued in 1998 total 3,233, an increase of 35.8 percent, or 853 permits. Also, the 5,109 single family permits issued in 1998 reflect an increase of 16.3 percent, or 715 permits, over 1997.

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

The number of residential repair and alteration permits issued declined for third consecutive month...

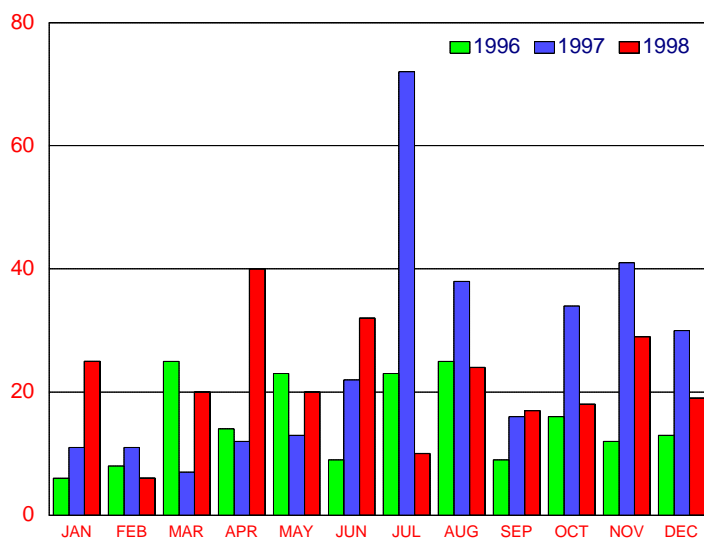
The number of residential repair and alteration permits issued declined for the third consecutive month in December, dropping a significant 19.1 percent, relative to last year. The total number of residential repair and alteration permits issued in 1998 trails the prior year by 6.2 percent, or 897 permits, with 13,596 being issued.

New privately owned housing starts on national level continue to outpace the prior year....

New privately owned housing starts on the national level outpaced the prior year in 1998. Through December, housing starts outpaced 1997 by 9.6 percent, according to the Commerce Department. Regionally, the South registered the greatest lead with a 10.5 percent increase, followed by gains of 9.4 percent in the Midwest, 8.7 percent in the Northeast and 8.5 percent in the West.

The Commerce Department also reported that the number of residential building permits issued nationwide through December exceeded 1997 by 11.1 percent with growth experienced in all four regions. Residential building permit issues were up 14.5 percent in the South, 10.5 percent in the Northeast, 8.4 percent in the West, and 7.6 percent in the Midwest.

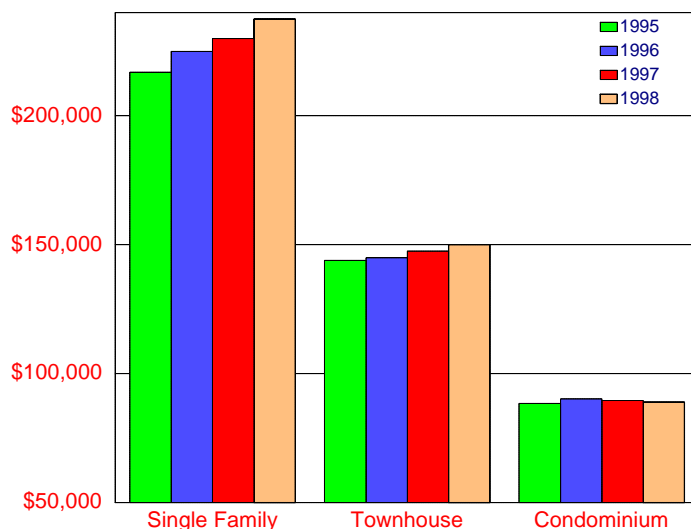
NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES



Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

HOME SALES IN FAIRFAX COUNTY

MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY - NOVEMBER 1998 COMPARED TO ANNUAL MEDIAN PRICES 1995 - 1997



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

The number of nonresidential permits issued through December trail the prior year...

Through December, a cumulative deficit of 15.3 percent, or 47 permits, exists relative to 1997, with a total of 260 permits being issued. While the number of nonresidential repair and alteration permits issued by the County in December outpaced the prior year by 34.4 percent, issues in 1998 led 1997 by a modest 4.4 percent, or 167 permits, with 3,968 permits issued

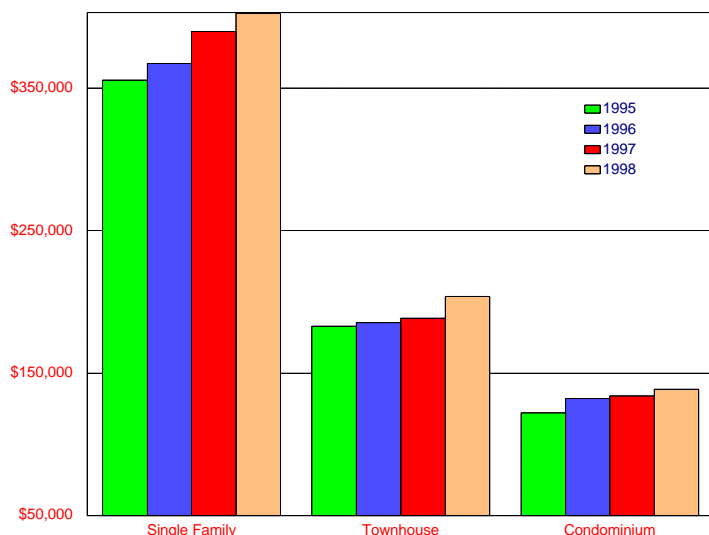
The number of nonresidential permits issued by the County in December fell short of the prior year by 36.7 percent.

The median selling prices of existing single family homes and townhomes increased modestly...

Based on sales data through November and consistent with recent months' trends, the median selling prices of existing single family homes and townhomes continue to exhibit modest increases, while that of existing condominiums still lags slightly behind 1997. The median selling price of existing single family homes sold through November is \$237,500, an increase of \$7,500, or 3.3 percent, over 1997's median selling price of \$230,000. Additionally, a median price of \$149,990 has been established for existing townhomes sold through November, up 1.7 percent, or \$2,490 over the \$147,500 registered in 1997. By contrast, existing condominium sales through November continue to reflect declines relative to 1997, with a decrease of 0.7 percent to \$89,000 from the \$89,625 established in 1997.

Please note that staff verifies that each real estate transaction is an arms-length sale. In doing so, these data may be revised.

**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY - NOVEMBER 1998
COMPARED TO ANNUAL MEDIAN PRICES 1995 - 1997**

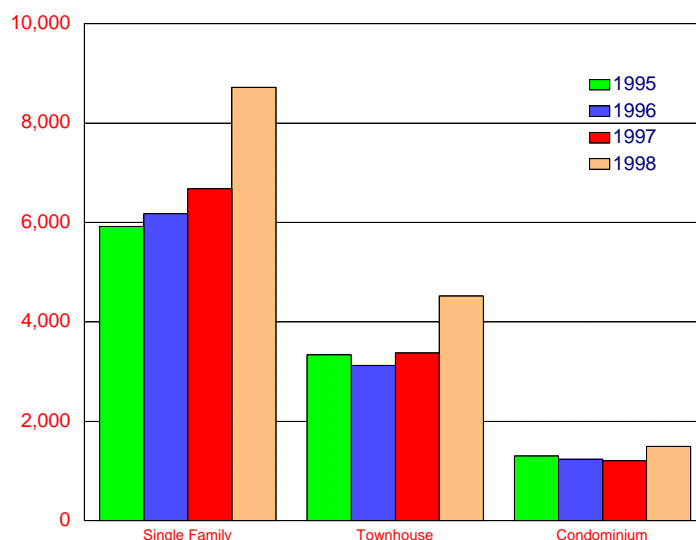


Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

The median selling price of all types of new homes show moderate increases...

Sales data through November indicate increases in the median selling prices of all types of new homes. To date, the median selling price of new townhomes has increased 8.2 percent to \$203,895 from the \$188,481 established in 1997. The median selling price of new condominiums has also posted a gain, topping 1997's \$134,038, by 3.5 percent to \$138,705. The median selling price of new single family homes increased 3.3 percent, to \$402,497 from the \$389,747 established in 1997.

**NUMBER OF EXISTING HOMES SOLD
JANUARY - NOVEMBER**



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
JANUARY - NOVEMBER 1998 COMPARED TO 1997 ANNUAL**

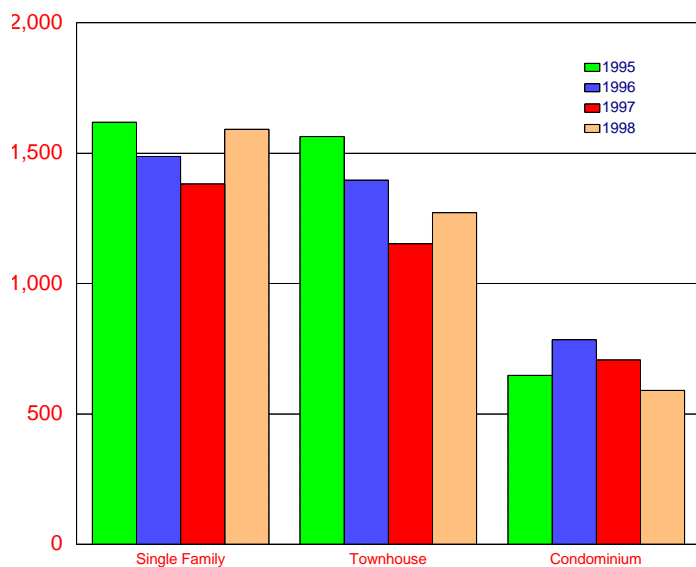
	Existing Sales	New Sales
Single Family	3.3	3.3
Townhouse	1.7	8.2
Condominium	-0.7	3.5

Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Sales volumes of all types of existing homes through November significantly outpaced the prior year...

The sales volumes of all types of existing homes in November outpaced that of one year ago by significant margins, thereby contributing to the year-to-date leads established in prior months. To date, 4,519 existing townhomes have been sold, up 34.1 percent, or 1,148 units as compared to 1997. Sales of existing single family homes for this period total 8,719 and top the prior year by 30.6 percent, or 2,045 units. The 1,496 existing condominiums sold through November indicate an increase over last year's volume of 24.3 percent, or 292 units.

NUMBER OF NEW HOMES SOLD JANUARY - NOVEMBER



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

The sales volume of new condominiums trails the prior year...

The sales volumes of new single family homes and townhomes indicate increases, while the sales volume of new condominiums trails the prior year significantly. Through November, 1,592 single family homes have been sold, indicating an increase of 15.2 percent, or 210 units. Similarly, 1,271 new townhome units have been sold to date, indicating an increase of 10.2 percent, or 118 units. By contrast, only 590 new condominiums have been sold, reflecting a cumulative deficit of 16.6 percent, or 117 units, compared to the prior year.

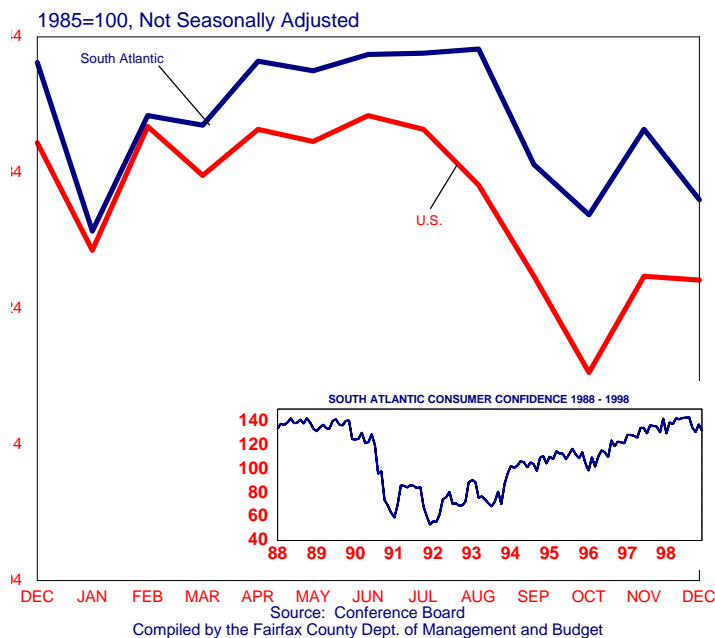
The sales volume of new homes nationwide leads the prior year by 9.3 percent...

Through November, the sales volume of new homes nationwide leads the prior year by 9.3 percent, according to the Commerce Department. New home sales to date are varied in the four regions, with sales up 18.3 percent in the Midwest, 9.2 percent in the West, 7.6 percent in the South, and a more modest 2.7 percent in the Northeast.

The Fairfax Journal recently reported that the 823,000 new homes sold through November, nationwide, is the greatest number of home sales since 1977, when 819,000 homes were sold. The surge in sales of new homes is attributed to low unemployment rates, which make for a strong job market, low interest rates and the significant growth in the stock market.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDICES

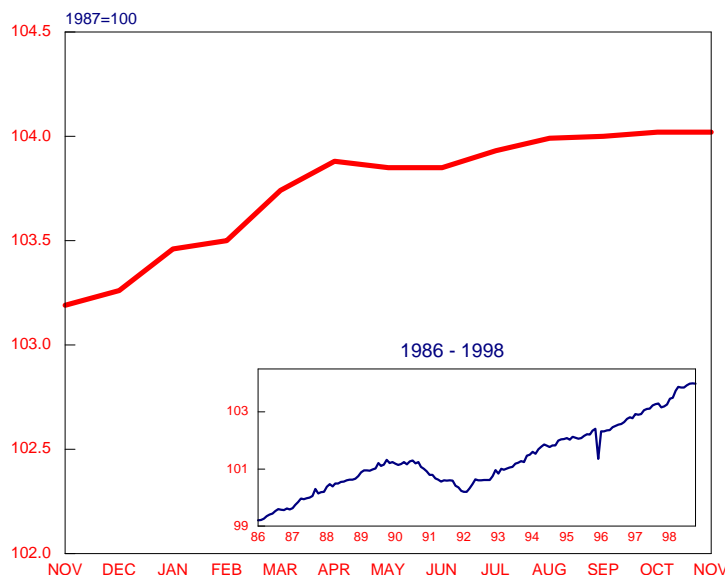


The South Atlantic Consumer Confidence Index dropped sharply in December...

The Conference Board's South Atlantic Consumer Confidence Index, which had rebounded in November after two months of significant declines, dropped in December, declining 5.2 points to 132.0. The South Atlantic Consumer Index now trails December 1997 by nearly 10 points. The national Consumer Confidence Index declined in December also, but by a very slight 0.3 points to 126.1. The national Consumer Index also significantly lags behind the prior year, with a deficit of 10.1 compared to December 1997.

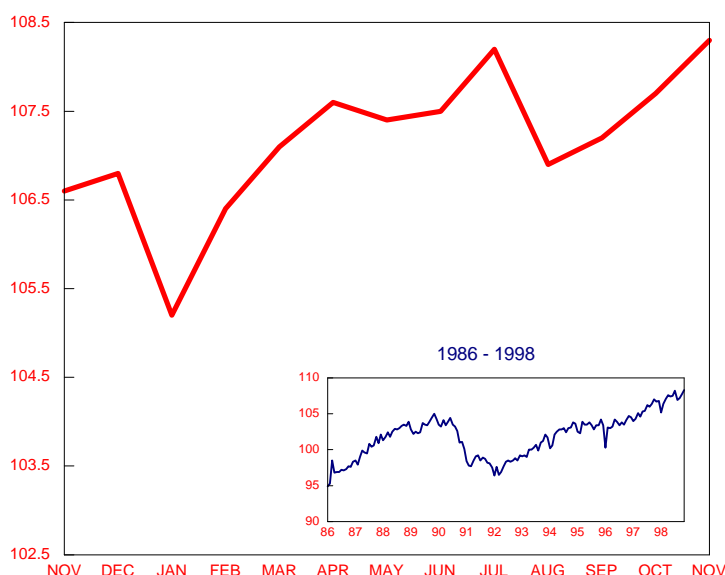
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices which consider the Washington Metropolitan economy and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Center for Regional Analysis, George Mason University
Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX



Source: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

The Fairfax County Coincident Index shows signs of slowing...

The Fairfax County Coincident Index, which represents the current state of the County's economy, remained constant at 104.02 in November.

Although the Index has gained 0.65 percent year-to-date, it has slowed during the last four months. Three of the Index's four components made positive contributions in November. Total employment increased for the fifth consecutive month, Transient Occupancy Tax collections increased for the first time in six months, and consumer confidence gained after its decline in October. By contrast, Sales Tax receipts declined sharply after a strong showing in October, and now have been down three of the last four months



The Metropolitan Coincident Index leads the prior year by 1.7 points...

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy,

gained 0.6 points in November, increasing to 108.3. The Index now leads the prior year by 1.7 points. Three of the Index's four components registered gains in November, including consumer confidence, domestic airport passenger volume at Ronald Reagan National Airport, and total wage and salary employment. By contrast, non-durable goods sales reflected a slight decline.

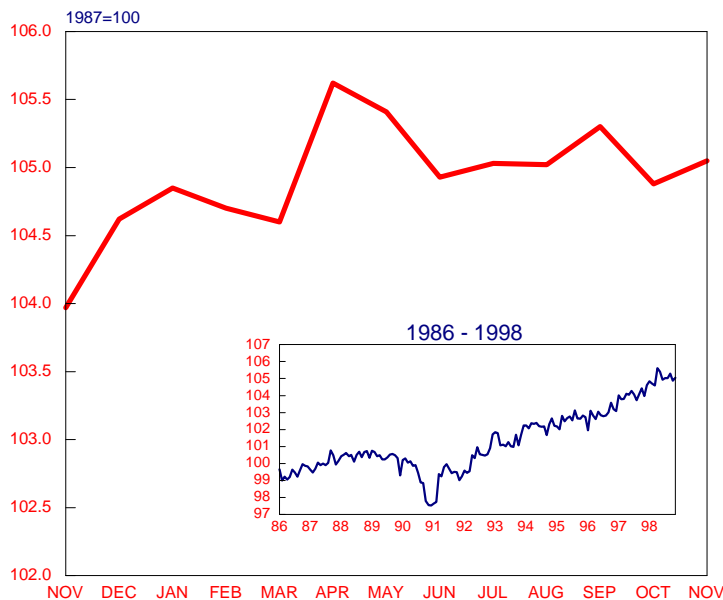


The Virginia Coincident Index gained slightly in November, for a 12-month gain of 2.9 points...

Crestar Bank's Virginia Coincident Index gained 0.3 points in November, after declining the previous month, advancing to 157.3 from the 157.0 registered in October 1998. Over the past 12 months, the Coincident Index rose 2.9 points, the smallest 12-month gain since September, 1996, as reported by analysts at Crestar Bank. Four of the Index's six components made positive contributions in November, including real average hourly wages, total non-farm employment, real taxable retail sales, and real bank deposits. By contrast, manufacturing employment and electricity consumption declined during this period.

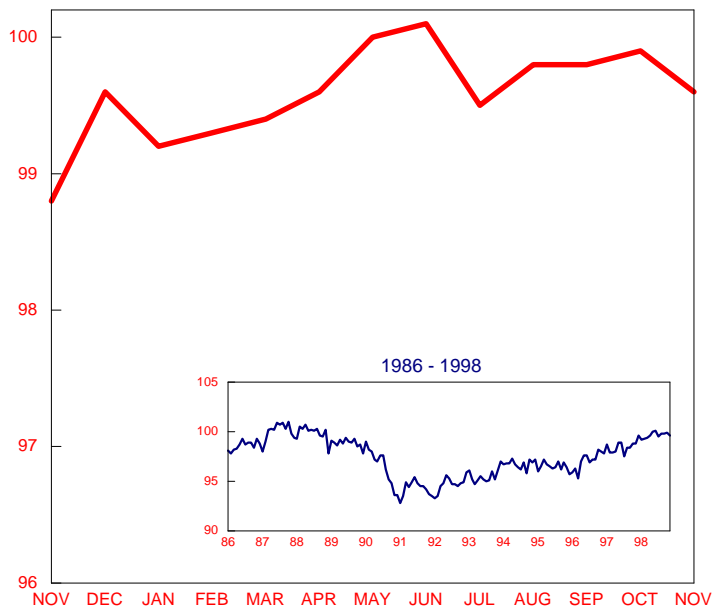


FAIRFAX COUNTY LEADING INDEX



Sources: Center for Regional Analysis, George Mason University
Fairfax County Dept. of Management and Budget

METROPOLITAN LEADING INDEX



Source: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

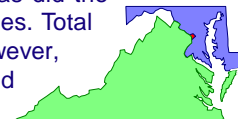
**The Fairfax County
Leading Index has
increased in November...**

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, increased 0.17 points to 105.05 in November. Two of the Index's five components made positive contributions in November. Consumer expectations (confidence six months hence) increased for the first time in six months, and the mean value of residential building permits increased for the third time in four months. By contrast, new automobile registrations declined for the third time in four months, residential building permits also declined for the third time in four months and initial claims for unemployment insurance increased (worsened) for the third consecutive month.

**Fairfax
County**

**The Metropolitan Leading
Index leads the prior year
by a modest 0.4 points...**

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, declined moderately by 0.3 points to 99.6 in November. Despite the monthly decline, the Index leads November 1997 by a modest 0.4 points. Consumer expectations (confidence six months hence) improved as did the Help Wanted Index and durable goods sales. Total building permits declined significantly, however, and initial unemployment claims gained (worsened) by a considerable percent.



**The Virginia Leading
Index made modest
advances in November...**

The Virginia Leading Index, produced by Crestar Bank, registered a modest gain of 0.1 point in November to 167.5 from the 167.4 registered in October, with a total gain of 3.6 points for the past 12 month period. Six of the Index's nine components made positive contributions in November. These include U.S. Leading Index, Virginia stock value, automobile registrations, residential building permits, average weekly hours in manufacturing and initial unemployment claims. Conversely, new business starts, real nonresidential building contracts and newspaper ad lineage dampened the aforementioned gains.



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